

Richard J. Cooper  
Lisa M. Schweitzer  
Luke A. Barefoot  
Thomas S. Kessler  
CLEARY GOTTLIEB STEEN & HAMILTON LLP  
One Liberty Plaza  
New York, New York 10006  
Telephone: (212) 225-2000  
Facsimile: (212) 225-3999

*Counsel to the Debtors  
and Debtors-in-Possession*

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

---

In re:	X
LATAM Airlines Group S.A., <i>et al.</i> ,	:
Debtors. <sup>1</sup>	:
	:
	<b>Related Docket No. 978 &amp; 3377</b>
	X

---

**TWELFTH STATUS REPORT OF  
LATAM AIRLINES GROUP S.A. AND ITS AFFILIATED DEBTORS**

---

<sup>1</sup> The Debtors in these Chapter 11 Cases, along with the last four digits of each Debtor's tax identification number (as applicable), are: LATAM Airlines Group S.A. (59-2605885); Lan Cargo S.A. (98-0058786); Transporte Aéreo S.A. (96-9512807); Inversiones Lan S.A. (96-5758100); Technical Training LATAM S.A. (96-847880K); LATAM Travel Chile II S.A. (76-2628945); Lan Pax Group S.A. (96-9696800); Fast Air Almacenes de Carga S.A. (96-6315202); Línea Aérea Carguera de Colombia S.A. (26-4065780); Aerovías de Integración Regional S.A. (98-0640393); LATAM Finance Ltd. (N/A); LATAM-Airlines Ecuador S.A. (98-0383677); Professional Airline Cargo Services, LLC (35-2639894); Cargo Handling Airport Services LLC (30-1133972); Maintenance Service Experts LLC (30-1130248); Lan Cargo Repair Station LLC (83-0460010); Prime Airport Services, Inc. (59-1934486); Professional Airline Maintenance Services LLC (37-1910216); Connecta Corporation (20-5157324); Peuco Finance Ltd. (N/A); LATAM Airlines Perú S.A. (52-2195500); Inversiones Aéreas S.A. (N/A); Holdco Colombia II SpA (76-9310053); Holdco Colombia I SpA (76-9336885); Holdco Ecuador S.A. (76-3884082); Lan Cargo Inversiones S.A. (96-9696908); Lan Cargo Overseas Ltd. (85-7752959); Mas Investment Ltd. (85-7753009); Professional Airlines Services Inc. (65-0623014); Piquero Leasing Limited (N/A); TAM S.A. (N/A); TAM Linhas Aéreas S.A. (65-0773334); ABSA Aerolinhas Brasileiras S.A. (98-0177579); Prismah Fidelidade Ltda. (N/A); Fidelidade Viagens e Turismo S.A. (27-2563952); TP Franchising Ltda. (N/A); Holdco I S.A. (76-1530348) and Multiplus Corretora de Seguros Ltda. (N/A). For the purpose of these Chapter 11 Cases, the service address for the Debtors is: 6500 NW 22nd Street Miami, FL 33131.

LATAM Airlines Group S.A. (“LATAM Parent”) and certain of its affiliated debtors and debtors-in-possession (collectively, the “Debtors”),<sup>2</sup> hereby submit this status report. In compliance with paragraphs ten and eleven of the Cross-Border Court-to-Court Communications Protocol [Docket No. 978] entered into by each of the United States Bankruptcy Court for the Southern District of New York (the “U.S. Bankruptcy Court”), the Grand Court of the Cayman Islands (the “Cayman Court”), the 2nd Civil Court of Santiago, Chile (the “Chilean Court”) and the Superintendence of Companies of Colombia (the “Colombian Court”), together with the U.S. Bankruptcy Court, the Cayman Court and the Chilean Court, the “Courts” and each a “Court”), this report is being submitted concurrently to each Court. The status report reflects updates on matters that were heard, filed or occurred during September 2021 and since the Eleventh Status Report of LATAM Airlines Group S.A. [Docket No. 3377] was filed with each of the Courts on October 18, 2021 (the “Eleventh Status Report”).

## **RECENT DEVELOPMENTS**

### ***I. The Chapter 11 Proceedings***

1. On October 28, 2021, the Debtors had their monthly omnibus hearing before the U.S. Bankruptcy Court. At the hearing, the U.S. Bankruptcy Court decided the following motions and sustained the following objections made by the Debtors:

- **Thirty-Fifth Omnibus Claims Objection (Non-Substantive): Debtors’ Thirty-Fifth Omnibus Objection (Non-Substantive) to Certain Claims Pursuant to 11 U.S.C. 502 and Fed. R. Bankr. P. 3007 (Amended, Duplicate, Satisfied and Modified)** [Docket No. 3214]. The U.S. Bankruptcy Court sustained the objection to 134 claims on the grounds that such claims were amended, duplicates of another claim, had no basis based on a review of Debtors books and records, were satisfied, or were partially satisfied. The Court entered an order sustaining the objection on November 8, 2021 [Docket

---

<sup>2</sup> LATAM Parent and its debtor and non-debtor subsidiaries and affiliates are collectively referred to as “LATAM”.

No. 3506].

- **Omnibus Late Filed Claims Motion:** *Debtors' Thirty-Sixth Omnibus Objection (Non-Substantive) to Certain Claims Pursuant to 11 U.S.C. 502 and Fed. R. Bankr. P. 3007 (Late Filed)* [Docket No. 3215]. The U.S. Bankruptcy Court sustained the objection to four claims on the grounds that such claims were filed after the applicable deadline established by the U.S. Bankruptcy Court's bar date orders. The Court entered an order sustaining the objection on November 2, 2021 [Docket No. 3487].
- **Engine Lease Amendment Motion:** *Debtors' Motion for Entry of an Order Approving Engine Lease Amendment Agreements and Settlement Stipulation by and Among the Debtors and Engine Lease Finance Corporation.* [Docket No. 3339]. The U.S. Bankruptcy Court granted Debtors' motion for an order approving an engine lease amendment and settlement stipulation with Engine Lease Finance Corporation. The Court entered the order on November 4, 2021 [Docket No. 3501].
- **McKinsey & Company Ordinary Course Consulting Contract Application:** *Debtors' Supplemental Application for an Order Pursuant to 11 U.S.C. 363(b) and 105(a) for Authority to Enter Into and Comply With an Ordinary Course Consulting Contract With McKinsey & Company Chile Ltda.* [Docket No. 3341]. The U.S. Bankruptcy Court approved the Debtors' motion to retain McKinsey & Company to perform ordinary course consulting services in the form of an organizational health index. The Court entered an order approving the engagement on November 2, 2021 [Docket No. 3484].
- **Rule 9019 Settlement Motion:** *Debtors' Motion for Entry of an Order Pursuant to Sections 105 (a) and 363 of the Bankruptcy Code and Rule 9019 of the Federal Rules of Bankruptcy Procedure Approving a Settlement By and Between TAM Linhas Aéreas S.A. and Transpax Serviços Auxiliares de Transportes Aéreos Ltda.* [Docket No. 3342]. The U.S. Bankruptcy Court approved the Debtors' motion for an order approving the settlement agreement with Transpax to settle ongoing litigation against TAM in Brazil. The Court entered an order approving the motion on November 2, 2021 [Docket No. 3486].
- **Exclusivity Motion:** *Debtors' Fifth Motion for Entry of an Order Extending the Debtors' Exclusive Periods in Which to File a Chapter 11 Plan and Solicit Acceptances Thereof* [Docket No. 3363]. The U.S. Bankruptcy Court approved Debtors' request for an extension of their exclusive period to file a plan of reorganization from October 15, 2021 until November 26, 2021, and an extension of the exclusive period to solicit acceptances of such plan from December 15, 2021 until January 26, 2022. The Court entered an order approving the motion on November 2, 2021 [Docket No. 3485].

*Claims Report*

2. The general bar date by which claimants other than governmental authorities and those parties subject to a supplemental bar date (the “Supplemental Bar Date”) had to file claims was December 18, 2020. The bar date for governmental authorities elapsed on January 5, 2021, and the Supplemental Bar Date, which was only applicable to specifically identified claimants in the order establishing the Supplemental Bar Date [Docket No. 1503], elapsed on February 5, 2021. As of November 19, 2021, there have been approximately 6,447 claims filed. Since the last update, the Debtors have continued their claims reconciliation process and have filed an additional omnibus objection, plus six individual claims objections.

3. On October 22, 2021 Debtors filed the *Debtors’ Thirty-Seventh Omnibus Objection (Non-Substantive) to Certain Claims Pursuant to 11 U.S.C. § 502 and Fed. R. Bankr. P. 3007 (Amended, Satisfied, No Liability, Modified and Duplicate)* [Docket No. 3400] (the “Thirty-Seventh Omnibus Objection”), seeking to expunge 40 claims on the basis that such claims were amended, already satisfied in full, not supported by the Debtors’ books and records, modified, or duplicates of another claim.<sup>3</sup> The U.S. Bankruptcy Court will hear the objection with respect to claims subject to the Thirty-Seventh Omnibus Objection at the November 30, 2021 Omnibus Hearing.

4. On October 22, 2021, the Debtors filed six objections (the “Brazil Litigation Claim Objections”) to claims pertaining to resolved litigation in Brazil [Docket Nos. 3402, 3404, 3405, 3406, 3407 and 3409]. The Debtors contend that since all six cases were successfully resolved in the Debtors’ favor in Brazilian courts and the time to appeal has now passed, the

---

<sup>3</sup> The Debtors have withdrawn their objection with respect to three of these claims. [Docket Nos. 3458, 3465 and 3480].

claims have been fully and finally resolved on the merits and should be expunged. These Brazil Litigation Claims Objections will be heard at the November Omnibus Hearing. Given the Debtors' expectation that there may be a significant number of further claims objections based on final decisions of foreign courts, on November 1, 2021, the Debtors filed the *Notice of Presentment of Revised Order Pursuant to 11 U.S.C. 105(a) and Fed R. Bankr. P. 3007 (I) Establishing Claims Objection and Notice of Procedures and II) Granting Related Relief.* [Docket No. 3482]. Through this revised proposed order, the Debtors ask the Court to amend the current claims objection procedures (See Docket Nos. 1170 and 1855) to allow the Debtors to object on an omnibus basis to claims that a foreign court, tribunal or other adjudicative body has already adjudicated in the Debtors' favor, and the appeals have been exhausted or the time to appeal has passed. The Official Committee of Unsecured Creditors (the "Committee") consented to this proposed amendment to the claims objection procedures order. The Court entered the order on November 19, 2021 [Docket No. 3624].

5. On November 19, the Debtors filed the *Debtors' Thirty-Eighth Omnibus Objection (Non-Substantive) to Certain Claims Pursuant to 11 U.S.C. 105(a) and Fed R. Bankr. P. 3007 (Amended, No Liability, Late, and Modified)* [Docket No. 3626] (the "Thirty-Eighth Omnibus Objection"), seeking to expunge 77 claims on the basis that such claims were amended, not supported by the Debtors' books and records, late, or modified. The U.S. Bankruptcy Court will hear the objection with respect to claims subject to the Thirty-Eighth Omnibus Objection at the December 29, 2021 Omnibus Hearing.

6. On October 29, 2021, the Debtors filed the *Notice of Presentment of Stipulation by and Between the Debtors and Burrana Inc.* ("Burrana Stipulation"), by which the Debtors

agreed to allow two claims filed by Burrana as prepetition, general unsecured claims in a reduced amount. The Court entered the Burrana Stipulation on November 12, 2021 [Docket No. 3583].

*ADR Report*

7. As discussed in the Tenth Status Report and the Eleventh Status Report, per the *Order (I) Authorizing Implementation of Alternative Dispute Resolution Procedures, (II) Modifying the Claims Procedures Order and (III) Granting Related Relief* [Docket No. 2037], the Debtors reported that they had engaged one claimant through use of the offer and exchange portion of the ADR Procedures. On September 9, 2021, the Debtors filed a notice of mediation [Docket No. 3161] (the “Mediation Notice”), indicating that the Debtors were submitting the dispute with this claimant to mediation and that Leslie A. Berkoff, Esq. has been selected as mediator. Through mediation, the Debtors reached a settlement with the claimant, Dash 224, LLC. On November 4, 2021, the Debtors filed a motion seeking approval of the settlement (ECF No. 3502), which will be heard at the November Omnibus Hearing.

*Executory Contract Report*

8. The Debtors continue to evaluate executory contracts to be rejected. On September 9, 2021, the Debtors filed the *Sixteenth Omnibus Notice of Rejection of Certain Unexpired Nonresidential Real Property Leases and Executory Contracts and the Abandonment of Certain Related Assets* [Docket No. 3489], rejecting certain agreements with Gate Gourmet Colombia SAS and Gate Gourmet Perú S.R.L. On November 8, 2021, the Debtors rejected an agreement with Gate Gourmet Catering Chile Ltda [Docket No. 3510]. On November 12, the Debtors rejected a contract with Gate Gourmet of Ecuador Cia. Ltda [Docket No. 3584].

*UCC Standing Motions*

9. As described in previous status reports, on June 16, 2021, the Committee filed two motions seeking standing to prosecute certain claims on behalf of the Debtors against Delta Airlines, Inc. [Docket No. 2531] (the “Delta Motion”) and Qatar Airways O.C.S.C. [Docket No. 2532] (the “Qatar Motion”), together with the Delta Motion, (the “Standing Motions”), which were opposed by certain parties. The Standing Motions were scheduled to be heard at a hearing on July 30, 2021. The Court proposed that the parties mediate certain matters related to the claims raised in the Standing Motions in the first instance. The Court asked that the parties coordinate to select a mediator and establish a proposed plan for the mediation. On August 17, 2021, the Debtors filed the *Notice of Presentment of Proposed Order Appointing Mediator and Establishing Procedures for Mediation* [Docket No. 2962]. On August 31, 2021, the Court entered an order [Docket No. 3060] appointing the Honorable Allan L. Gropper (Ret.) (“Mediator”) as mediator, and the parties subsequently began mediating these matters. On October 15, 2021, the Mediator issued a notice terminating the mediation, noting that the mediation has not been successful. The Committee has requested a re-calendaring of the Standing Motion (*See* Docket Nos. 3422, 3423 and 3424). Delta and Qatar oppose re-calendaring the Standing Motion at this time (*See* Docket Nos. 3424 and 3415).

#### ***Additional Mediation***

10. On October 29, 2021 the Debtors filed a *Notice of Mediation with Respect to Additional Mediation Matters* [Docket No. 3457] indicating that the Debtors, the Committee, Delta Air Lines, Inc, Qatar Airways Group Q.C.S.C., the Parent Ad Hoc Claimant Group represented by Kramer Levin Naftalis & Frankel LLP, the Ad Hoc Group of LATAM Creditors represented by White & Case LLP, Costa Verde Aeronautica S.A (collectively, the “Designated

Parties) as well as Lozuy S.A. and Banco Estado have agreed to commence a mediation regarding certain shareholder issues with the Hon. Allan L. Gropper (Ret.) serving as mediator.

***Fleet Report***

11. On September 17, 2021, the Debtors filed the *Notice of Presentment of Stipulation and Order by and Between the Debtors and Certain Aircraft Counterparties* (“Aircraft Counterparties Stipulation”), by which the Debtors agreed to allow one claim filed by SL Alcyone Ltd. entities as prepetition, general unsecured claims in certain amounts, and SL Alcyone Ltd. agreed to withdraw two claims and Natixis agreed to withdraw two claims. The Court entered the Aircraft Counterparties Stipulation on November 19, 2021 [Docket No. 3623].

12. On September 10, 2021, the Debtors filed the *Debtors’ Motion for Entry of an Order Authorizing the Debtors to Assume Various Aircraft Agreements and for Related Relief (Tritón, Centaurus and JOLCO)* (MSNs 4000, 4163, 4171, 4662, 4734, 4756, 4773, 5654, 5666, 5686, 5707, 5748, 5764, 5845 & 5883) [Docket No 3179] (the “Assumption Motion”). The Debtors also filed a *Notice of Proposed Cure Costs in Connection with Debtors’ Motion for Entry of an Order Authorizing the Debtors to Assume Various Aircraft Agreements and for Related Relief (Tritón, Centaurus and Jolco)* (MSNs 000, 4163, 4171, 4662, 4734, 4756, 4773, 5654, 5666, 5686, 5707, 5748, 5764, 5845 & 5883) [Docket No. 3180]. On October 12, 2021, the Santander Lessors and SBI Lessors filed replies to the Debtors’ Motion to Assume the Tritón, Centaurus and JOLCO aircraft leases (Docket Nos. 3353, 3354). The Assumption motion is currently scheduled to be heard on November 24, 2021.

13. On October 29, 2021, the Court entered two claims allowance stipulations between the Debtors and various aircraft counterparties, including Vermillion Aviation (Two) Limited (Docket No. 3454) and Orix Aviation Systems Limited (Docket No. 3456).

14. On November 2, 2021, the Debtors filed the *Notice of Presentment of Stipulation and Agreed Order Authorizing the Debtors' Entry Into Engine Lease Agreement* ("Engine Lease Agreement"), by which the sought to authority to enter into the Engine Lease Transaction with Crédit Agricole. The Court entered the Engine Lease Stipulation on November 9, 2021 [Docket No. 3517].

#### ***Debtor in Possession Financing***

15. On September 29, 2021, the Debtors filed the *Motion to Approve Debtor in Possession Financing/Debtors' Motion for an Order (I) Authorizing the Debtors to (A) Obtain Tranche B Postpetition Financing and (B) Grant Superpriority Administrative Expense Claims and (II) Granting Related Relief* (the "Tranche B Motion") [Docket No. 3243], in which the Debtors seek approval of an additional tranche of financing under the DIP Credit Agreement [Docket No. 397] – a Tranche B loan in the principal amount of \$750 million. The Committee filed a Statement on October 8, 2021 [Docket No. 3347] indicating that it did not object to the Tranche B Motion. The Court approved the Tranche B Motion at a hearing held on October 18, 2021. The Court entered the order that same day. [Docket No. 3378].

#### ***II. The Cayman Proceedings***

16. There have been no further updates in the Cayman Proceedings since the Eleventh Status Report.

#### ***III. The Chilean Proceedings***

17. There have been no further updates in the Chilean Proceedings since the Eleventh Status Report.

#### ***IV. The Colombian Proceedings***

18. On October 25, 2021, the Colombian Debtors filed a motion before the Colombian Court requesting: (i) the recognition of the order entered on October 18, 2021 by which the U.S. Bankruptcy Court granted the Tranche B Motion; and (ii) the authorization to amend the share pledge agreement (the “Share Pledge Agreement”) and the engine pledge agreement (the “Engine Pledge Agreement”).

19. On October 27, 2021 the Colombian Court issued a writ (i) recognizing the order entered by the U.S. Bankruptcy Court; (ii) authorizing the amendment of the Share Pledge Agreement and the Engine Pledge Agreement; and (iii) ordering the Colombian Debtors to inform the Colombian Court if an appeal is filed against the order. On November 10, 2021, the Columbian Debtors informed the Columbian Court that no such appeals were filed.

\*\*\*

Respectfully submitted,

Dated: November 22, 2021  
New York, New York

/s/ Luke A. Barefoot  
Richard J. Cooper  
Lisa M. Schweitzer  
Luke A. Barefoot  
Thomas S. Kessler  
CLEARY GOTTLIEB STEEN & HAMILTON LLP  
One Liberty Plaza  
New York, New York 10006  
Telephone: (212) 225-2000  
Facsimile: (212) 225-3999

*Counsel to the Debtors and Debtors-in-Possession*